



First Union Rail Corporation
One O'Hare Center
6250 River Road, Suite 5000
Rosemont, IL 60018-4214
Tel 847 318-7575
Fax 847 318-7588
<http://www.firstunion.com/rail>

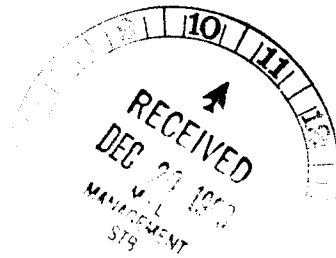
RECORDATION NO. 22683

DEC 21 '99

3-57 PM

VIA UPS NEXT DAY AIR
SURFACE TRANSPORTATION BOARD

December 17, 1999



Mr. Vernon E. Williams
Surface Transportation Board
1925 K Street, N.W., Room 704
Washington, DC 20423-0001
Attn: Recordation of Railroad Equipment

Re: Memorandum of Lease Agreement

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) originals and two (2) copies of a Memorandum of Lease Agreement, dated November 17, 1999, a primary document as defined in the Board's Rules for the Recordation of Documents. Please file this Memorandum of Lease as a primary document since a Master Lease has not been filed with the Surface Transportation Board. The names and addresses of the parties to the enclosed document are:

Lessor: First Union Rail Corporation
One O'Hare Center
6250 River Road, Suite 5000
Rosemont, IL 60018

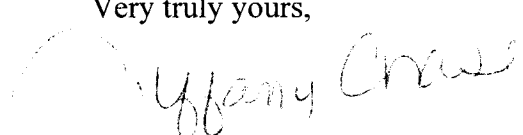
Lessee: Badwater Line
642 S. Federal Blvd.
Riverton, WY 82501

A description of the railroad equipment covered by the enclosed document is set forth on Exhibit A, as attached to such Memorandum.

Also enclosed is a check in the amount of \$26.00 payable to the order of the Surface Transportation Board covering the required recordation fee. Kindly return one (1) stamped original of the enclosed document to the undersigned along with the additional copies.

If you have any questions or concerns regarding the above-referenced matter, please feel free to contact me at (847) 384-5342. Thank you for your cooperation in this matter.

Very truly yours,


Tiffany Chase
Manager of Documentation

Enclosures

(BDW003)

25

22683

EXHIBIT A
to
RIDER NO. 3

MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE (the "Memorandum") is made and entered into as of this the 17th day of November, 1999, by and between First Union Rail Corporation ("Lessor"), a North Carolina corporation, and Bad Water Line ("Lessee"), a Wyoming corporation.

WITNESSETH:

The undersigned Lessor and Lessee have entered into that certain Lease Agreement (the "Lease"), dated as of May 21, 1997, whereby Lessor has agreed to lease to Lessee certain railcars pursuant to Rider No. 3 to the Lease (the "Rider"), as described in more particular on Exhibit A attached hereto, effective as of October 1, 1999 and subject to the terms, conditions and provisions of the above-mentioned Lease and Rider.

IN WITNESS WHEREOF, the parties hereto have each caused this Memorandum to be duly executed under seal by their respective officers duly authorized as of the date and year first above written.

LESSOR:

FIRST UNION RAIL CORPORATION

ATTEST:

By: John J. Thomas

Name: JOHN J. THOMAS

Title: PRESIDENT

By: K.A. Dombrowski

Name: K.A. DOMBROWSKI

Title: DIRECTOR OF DOCUMENTATION Executed on this 17th day of Nov, 1999.

[CORPORATE SEAL]

STATE OF ILLINOIS

COUNTY OF COOK

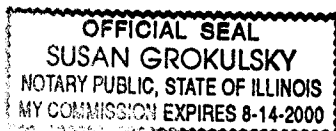
I, SUSAN GROKULSKY, a Notary Public of the County and State aforesaid, certify that JOHN J. THOMAS personally appeared before me this day and acknowledged his due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 17th day of November, 1999.

Susan Grokulskey
Notary Public

My Commission Expires:

8-14-2000
(Notary Public)



LESSEE:

BAD WATER LINE

By: Clifford D Root

Name: CLIFFORD D ROOT

Title: PRESIDENT/CEO

ATTEST:

By: Marvin L. Leonhardt

Name: Marvin L. Leonhardt

Title: Office Manager Executed on this 8th day of November, 1999.

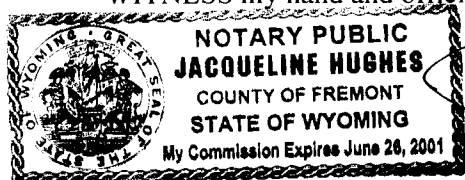
[CORPORATE SEAL]

STATE OF Wyoming

COUNTY OF Fremont

I, Jacqueline Hughes, a Notary Public of the County and State aforesaid, certify that Clifford D. Root personally appeared before me this day and acknowledged his due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 8th day of November, 1999.



Commission Expires:

June 26 2001
(Notary Public)

Jacqueline Hughes
Notary Public

EXHIBIT A
to
MEMORANDUM OF LEASE

NUMBER OF CARS: Fifty-one (51)

DESCRIPTION OF CARS: 4750 cubic foot, 100-ton Covered Hopper cars equipped with trough hatches, gravity gates and vibrator brackets

CAR NUMBERS: See below:

BDW 828116	BDW 830523
BDW 828118	BDW 830554
BDW 828119	BDW 830625
BDW 828126	BDW 830702
BDW 828129	BDW 830705
BDW 828138	BDW 830709
BDW 828141	BDW 830714
BDW 828142	BDW 830803
BDW 828150	BDW 830861
BDW 828213	BDW 830895
BDW 828429	BDW 830925
BDW 828453	BDW 831005
BDW 828470	BDW 831024
BDW 828476	BDW 831047
BDW 828554	BDW 831057
BDW 830425	Count: 51
BDW 830429	
BDW 830433	
BDW 830434	
BDW 830436	
BDW 830437	
BDW 830439	
BDW 830442	
BDW 830444	
BDW 830445	
BDW 830446	
BDW 830454	
BDW 830456	
BDW 830458	
BDW 830459	
BDW 830460	
BDW 830464	
BDW 830483	
BDW 830488	
BDW 830499	
BDW 830500	